

INTRODUCED: March 13, 2017

AN ORDINANCE No. 2017-069

To amend City Code §§ 8-58, 8-61, 8-62, and 8-63, concerning the sale of City-owned real estate, for the purpose of providing for the conduct of a competitive process prior to the acceptance of an unsolicited offer to purchase City-owned real estate.

Patron – Mr. Agelasto

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: MAR 27 2017 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That sections 8-58, 8-61, 8-62, and 8-63 of the Code of the City of Richmond be and are hereby **amended** and reordained as follows:

Sec. 8-58. [~~Acceptance~~] Disposition of unsolicited offer.

(a) [~~Recommendation to accept~~] Receipt of offer. If an unsolicited offer is made to purchase City-owned real estate, the Chief Administrative Officer shall immediately bring such offer to the attention of the Mayor and the members of the Council. [~~The Mayor may recommend that the Council accept the offer by introducing an ordinance to declare such real estate to be~~

AYES: _____ NOES: _____ ABSTAIN: _____

ADOPTED: _____ REJECTED: _____ STRICKEN: _____

~~surplus real estate and to direct the sale of such real estate to the offeror under such conditions as the patron of the ordinance may deem appropriate.]~~

(b) *Requiring deposit from offeror.* Upon ~~[receiving an unsolicited offer to purchase City-owned real estate or upon]~~ the introduction of an ordinance to direct the sale of real estate to an offeror, the Chief Administrative Officer shall require a deposit from the offeror in accordance with Section 8-59 and shall require the offeror to execute a purchase agreement.

(c) *Council action on offer.* No ordinance to direct the sale of real estate to an offeror who has submitted an unsolicited offer may be introduced until the Council has adopted a resolution declaring such real estate to be surplus as described in section 8-60. The Council ~~[may]~~ shall not act upon ~~[the]~~ an unsolicited offer ~~[represented by the introduced ordinance]~~ in accordance with Section 8-65 and other applicable provisions of this article until the Chief Administrative Officer first has proceeded in accordance with either section 8-61 or sections 8-62 and 8-63.

Sec. 8-61. Solicitation of offers by invitation for bids.

(a) *Invitation for bids.* If the Council, or the Chief Administrative Officer when authorized by resolution of the Council or upon receipt of an unsolicited offer to purchase City-owned real estate, determines that it is in the best interests of the City to sell surplus real estate with regard to price only, the Chief Administrative Officer shall invite bids for such real estate. All invitations for bids shall:

- (1) Be expressly conditioned on Council approval of the sale of the real estate to the successful bidder in accordance with Section 8-65;
- (2) Provide that bids will be evaluated solely on the basis of the price stated in the bid;

(3) Require that each bid be received by the Chief Administrative Officer no later than a specifically stated date and hour;

(4) Require that each bid be accompanied by a deposit in accordance with Section 8-59; and

(5) Clearly state the requirements of Section 8-67.

(b) *Solicitation.* All invitations for bids shall be initiated by:

(1) Publication on the City's world wide web site; and

(2) Such other means as to provide reasonable notice of the invitation for bids to the maximum number of persons that can be reasonably anticipated to submit bids in response to the particular invitation for bids.

(c) *Acceptance or rejection of bids.* Once the date and hour for the receipt of bids has passed and the bids have been evaluated, the Mayor may introduce an ordinance directing the sale of the real estate to the bidder whose bid complies with the conditions of this section and offers the highest price for the City-owned real estate. No other criteria shall be considered in evaluating bids solicited under this section. In the alternative, the Mayor may introduce a resolution rejecting all of the bids received.

Sec. 8-62. Solicitation of offers by request for proposals—Generally.

(a) *Request for proposals.* If the Council, or the Chief Administrative Officer when authorized by resolution of the Council or upon receipt of an unsolicited offer to purchase City-owned real estate, determines that it is in the best interests of the City to sell surplus real estate with regard to factors other than price, but which may include price, the Chief Administrative Officer shall request proposals for the real estate. All requests for proposals shall:

(1) Be expressly conditioned on Council approval of the sale of the real estate to the successful proposer in accordance with Section 8-65;

(2) Set forth in detail the specific evaluation factors upon which the proposals received pursuant to that request will be evaluated;

(3) Require that each proposal be received by the Chief Administrative Officer no later than a specifically stated date and hour;

(4) Require that each proposal be accompanied by a deposit in accordance with Section 8-59; ~~and~~

(5) Clearly state the requirements of Section 8-67; and

(6) Be submitted in draft form prior to solicitation to the Land Use, Housing and Transportation Standing Committee of the Council or any successor committee thereof and incorporate any additional evaluation factors that such committee may deem appropriate.

(b) *Solicitation.* All requests for proposals shall be solicited by:

(1) Publication on the City's world wide web site; and

(2) Such other means as to provide reasonable notice of the request for proposals to the maximum number of persons that can be reasonably anticipated to submit proposals in response to the particular request for proposals.

Sec. 8-63. Same—Evaluation of proposals.

(a) *Evaluation factors.* Each request for proposals may be evaluated based on any or all of the following evaluation factors, provided such evaluation factors are enumerated in the request for proposals:

(1) The proposed use of the real estate;

(2) The financial ability of the proposer to provide for the proposed use of the real estate;

(3) The past experience of the proposer in the development and use of properties for uses similar to the proposed use;

(4) The effect of the proposed use of the real estate on other properties;

(5) The compatibility of the proposed use of the real estate with the City's master plan;

(6) The price the proposer offers to pay for the real estate; and

(7) Such other evaluation factors as ~~[the Chief Administrative Officer or]~~ the Land Use, Housing and Transportation Standing Committee of the Council or its successor Committee may deem appropriate and as the Chief Administrative Officer may deem appropriate when evaluation factors deemed appropriate by the Chief Administrative Officer do not conflict with evaluation factors deemed appropriate by the Land Use, Housing and Transportation Standing Committee of the Council or its successor committee.

(b) *Evaluation process.* The Chief Administrative Officer shall evaluate all proposals based solely upon all of the specific criteria enumerated in the request for proposals. The Chief Administrative Officer shall complete this evaluation within a reasonable period of time following receipt of all of the proposals and report the results of his evaluation both to the Mayor and to the Council at the same time.

(c) *Acceptance or rejection of proposals.* Once the date and hour for the receipt of proposals has passed and the proposals have been evaluated, the Mayor may introduce an ordinance directing the sale of the real estate to the proposer whose proposal complies with the

conditions set forth in Section 8-62 and is determined based on the evaluation factors stated in the request for proposals to be in the best interests of the City. In the alternative, the Mayor may introduce a resolution rejecting all of the proposals received.

§ 2. This ordinance shall be in force and effect upon adoption.



Richmond City Council

The Voice of the People

Richmond, Virginia

Office of the Council Chief of Staff

Ordinance/Resolution Request

RECEIVED

FEB 06 2017

TO Allen Jackson, Richmond City Attorney
Richmond Office of the City Attorney

THROUGH Lou Brown Ali *LB*
Council Chief of Staff

OFFICE OF CITY ATTORNEY

FROM William E. Echelberger, Jr, Council Budget Analyst *WE*

COPY Parker C. Agelasto, 5th District Representative
Haskell Brown, Deputy City Attorney
Meghan K. Brown, Deputy Council Chief of Staff *MCB*
Amy E. Robins, 5th District Liaison

DATE February 6, 2017

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TITLE Unsolicited Surplus Real Estate Offer

This is a request for the drafting of an **Ordinance** **Resolution**

REQUESTING COUNCILMEMBER/PATRON

Parker C. Agelasto, 5th District Representative

SUGGESTED STANDING COMMITTEE

Land Use, Housing and Transportation

ORDINANCE/RESOLUTION SUMMARY

The Patron requests an ordinance to require that:

1. Establish a competitive process to ensure that any unsolicited offer to purchase surplus real estate from the City of Richmond maximizes the benefit to the City from both a financial and a public policy perspective.
2. Any criteria adopted for the evaluation of such unsolicited offers should be approved by City Council, or the relevant Council Committee.

BACKGROUND

Summary:

- Currently, when an unsolicited offer to purchase City-owned real estate is received, no competitive process occurs before the unsolicited offer may be presented to the City Council for acceptance. This leaves the City Council without any assurance that the unsolicited offer represents the best transaction available from both a financial perspective and a public policy perspective.
- In addition, the factors used to evaluate a proposal to purchase City-owned real estate in response to a request for proposals issued by the City are determined by either the Chief Administrative Officer or the City Council's Land Use, Housing and Transportation Standing Committee. Because the City Administration is not required to

obtain input from the Committee before issuing the request for proposals, the City Council may have little or no input into the development of a transaction before it must vote on whether to approve the sale of the real estate.

FISCAL IMPACT STATEMENT

Fiscal Impact Yes No

Budget Amendment Required Yes No

Estimated Cost or Revenue Impact

There will be no revenue or expenditure impact in FY 2017.

Attachment/s Yes No

Richmond City Council Ordinance/Resolution Request Form/updated 10.5.2012 /srs